

**Phoenix Program
Process Definition – General Ledger**

Process	Creating Business Units
Process Number	GL – 040

Description of Process

Add a new Business Unit. A Business Unit is an organization or a subset of an organization that is independent with regard to one or more accounting or operational functions. A Business Unit determines the following processes in PeopleSoft:

- Journals are entered, approved, and maintained by Business Unit
- Background processing is requested by Business Unit at the highest level
- Reports are requested by Business Unit
- Chart Field Values *can* differ by Business Unit
- Inter-Unit journal transactions are created by Business Unit
- Journal entry error and approval processing *can be* defined by Business Unit
- There is a General Ledger base currency for each Business Unit
- TableSet sharing is specified by Business Unit
- Security *can be* enforced by Business Unit

Business units can be created for a variety of reasons, such as a realignment of agencies, a new legislative initiative, or any other need to create a separate accounting entity. The State of Georgia has decided to implement each agency as a separate business unit. Every time a transaction is entered into a PeopleSoft application, a Business Unit must be included. No transaction can be saved without identifying the Business Unit.

Input to Process

Business Unit Change Form is written up, signed, assigned an identifier and approved. The Business Unit is then entered into PeopleSoft.

Output of Process

New Business Unit is created.

Service Level Agreement Required? (if yes, provide a brief description)

N/A

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PeopleSoft Panel Groups being Used

Function	Panel Group
Use A-M	General Ledger Definition

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Business Process Description

Process Description	Responsibility (Agency/Centralized)
<u>Step 1: Complete request form to create a new business unit</u> The Department of Audits will fill out a Business Unit change request form when it is determined that a new business unit should be created. Once approved, the request will be forwarded to FSS for input.	Centralized
<u>Step 2: Enter a Business Unit name</u> Enter an alphanumeric identifier for your business unit with a length of no more than five (5) characters. At the State of Georgia, each agency is a separate business unit.	Centralized

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Step 3: Enter the Business Unit Definition

Centralized

Enter a description and short description to identify your Business Unit. PeopleSoft uses the description system-wide in prompt lists, reports, other panels, and online inquiries, and the short description on panels and online inquiries with limited display space. The description field has a length of thirty (30) characters, while the short description is limited to ten (10) characters.

Enter an As of Date for your Business Unit, which serves as a point of reference when you determine the current reporting period and calculate year-to-date amounts.

Enter the Base Currency, or primary currency used by your business unit, from the prompt box provided. The Base Currency should be USD (U.S. dollars) for each business unit.

If InterUnit accounting is being used, set up the InterUnit Journal Offset Debit and Credit ChartKeys. InterUnit accounting manages transactions affecting multiple business units by providing the means with which to create and reconcile inter-unit journal entries. PeopleSoft General Ledger for Public Sector supports up to 500 business units in InterUnit accounting. InterUnit accounting requires you to set up two sets of ChartFields for each business unit to serve as the InterUnit debit and InterUnit credit ChartFields used by other business units originating charges to this business unit. The Account ChartField must be one of the ChartFields in each set. This is required for every business unit that expects to have InterUnit activity with another business unit. When you specify ChartFields for one business unit, you need to specify the same ChartFields for the other business units as well. The State of Georgia is not using interUnit accounting at this time.

If Consolidations are being used, select "For Eliminations Only" if you are setting up this business unit as an elimination entity for consolidations processing. This is a special type of general ledger business unit used when you automate the elimination of interorganization transactions. Select the Tree you use for consolidation processing. You use trees to define the relationships among business units in a consolidation, creating a separate consolidation tree for each configuration. Included in each consolidation tree are the business units being consolidated and the elimination units to which eliminating journal entries are directed. These units can be business unit or other ChartFields such as Fund or Program. Select the Ledger that represents the detail ledger you want consolidated by the Tree rollup specified. The State of Georgia is not using this functionality at this time.

Enter a value from the Copy Unit for SetID's prompt box. The Copy Unit for SetID's determines the *preliminary* TableSet sharing setup for this business unit. Once this has been established and the business unit has been created, you may then alter the TableSet sharing as necessary (see GL – 050 "Maintaining TableSet Control"). Activate the Create BU button to physically create the business unit.

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<p><u>Step 4: Determine the Journal Options for your Business Unit</u></p> <p>In the Journal Options panel, select the “Recycle” journal error. Journals with errors will <i>not</i> post until the errors are corrected. The “Suspend” option allows journals to post with errors, however, the lines in error post to a suspense account. The processing options are as follows:</p> <p>Journal Balance Errors - When you define ledgers, you specify them as balanced or unbalanced. Journal entries for balanced ledgers, such as an actuals ledger, must be in balance before you can post them. A Journal Balance error occurs when an unbalanced journal is targeted to a balanced ledger.</p> <p>Journal Edit Errors - As you enter journal lines, PeopleSoft General Ledger checks to see that all ChartField values are valid as of the journal entry date. A Journal Edit error occurs if you entered an invalid ChartField value or ChartField combination on the journal lines. This error category also includes other line errors such as a blank currency code.</p> <p>Control Total Errors - As you enter journal lines, PeopleSoft General Ledger displays a running total of the number of lines, debits, credits, and units that you’ve entered on the journal. A Control Total error occurs if the journal line totals don’t match the control totals you entered at the journal header level.</p>	<p>Centralized</p>
<p><u>Step 5: Establish the Currency Processing Options for your Business Unit</u></p> <p>Select Balance by All Currencies as the Currency Balancing Option. This option balances foreign amounts on foreign currency journal lines by individual currency type. For example, all lines in French francs are balanced together, and all lines in Mexican pesos are balanced together.</p> <p>Select Allow Base Currency Adjustments as the Base Currency Adjust Option. This option allows you to directly change the base currency amount on foreign currency journal lines.</p> <p>Select Multiple Foreign Currencies as the Foreign Currencies per Journal Option. This option allows journals to contain lines in multiple foreign currencies.</p> <p>When entering journals, <i>most</i> users will use the Journal Entry - Base Currency panels to avoid keying foreign currencies.</p>	<p>Centralized</p>
<p><u>Step 6: Establish the Journal Approval Options for your Business Unit</u></p> <p>Select “Pre-Approved” for both Standard Journals and Budget Journals. All journals will be pre-approved. This allows journal entry without approval through Workflow, since workflow is not within the scope of this project.</p>	<p>Centralized</p>

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<p><u>Step 7: Establish the Budget Offset Options for your Business Unit</u></p> <p>The Budget Offset Options panel specifies default posting and offsetting accounts used by the system when you post controlled budget journals using any of the Prepare Controlled Budgets, Use, Budget Journal panels. For each controlled budget type, you must specify a default offset account.</p> <p>To define Appropriation and Allotment Parameters, enter DR (debit) account to which you post these journals. Appropriation transfer parameters let you specify whether these transactions can occur between funds and budget years. Turn off the Fund Transfers Allowed check box to allow appropriation transfers only within funds. Turn off the Budget Year Transfers Allowed check box to restrict these transfers to within a single budget year.</p> <p>For organization budget, revenue estimate, and project/grant journals, specify only the offsetting accounts. Specify the Organization Budget offset account that you want the system to debit when you post organization budget journals and the Project/Grant Offset account. Specify the Revenue Estimate Offset that the system will credit when you post these journals.</p> <p>PeopleSoft automatically creates offsetting journal entries to keep controlled budget ledgers in balance. When you enter budget journals on the Prepare Controlled Budgets panels, the system looks at the values specified here on the General Ledger Definition panel to get the appropriate offset account before posting can occur. <i>If you have not specified an offset account for the budget type that you are using, you will be unable to prepare controlled budget journals.</i></p> <p>Since the State of Georgia will be using a centrally maintained Account List used by all business units, the following offset accounts will be applicable to all business units:</p> <p><u>Appropriation Budget Type Parameters:</u></p> <p>Offset Account – 901080</p> <p><u>Budget Type Offsets</u></p> <p>Allotment Offset Account – 901085</p> <p>Organizational Offset Account - 901065</p> <p>Project/Grant Offset Account – 901070</p> <p>Revenue Estimate Offset Account - 901075</p>	<p>Centralized</p>
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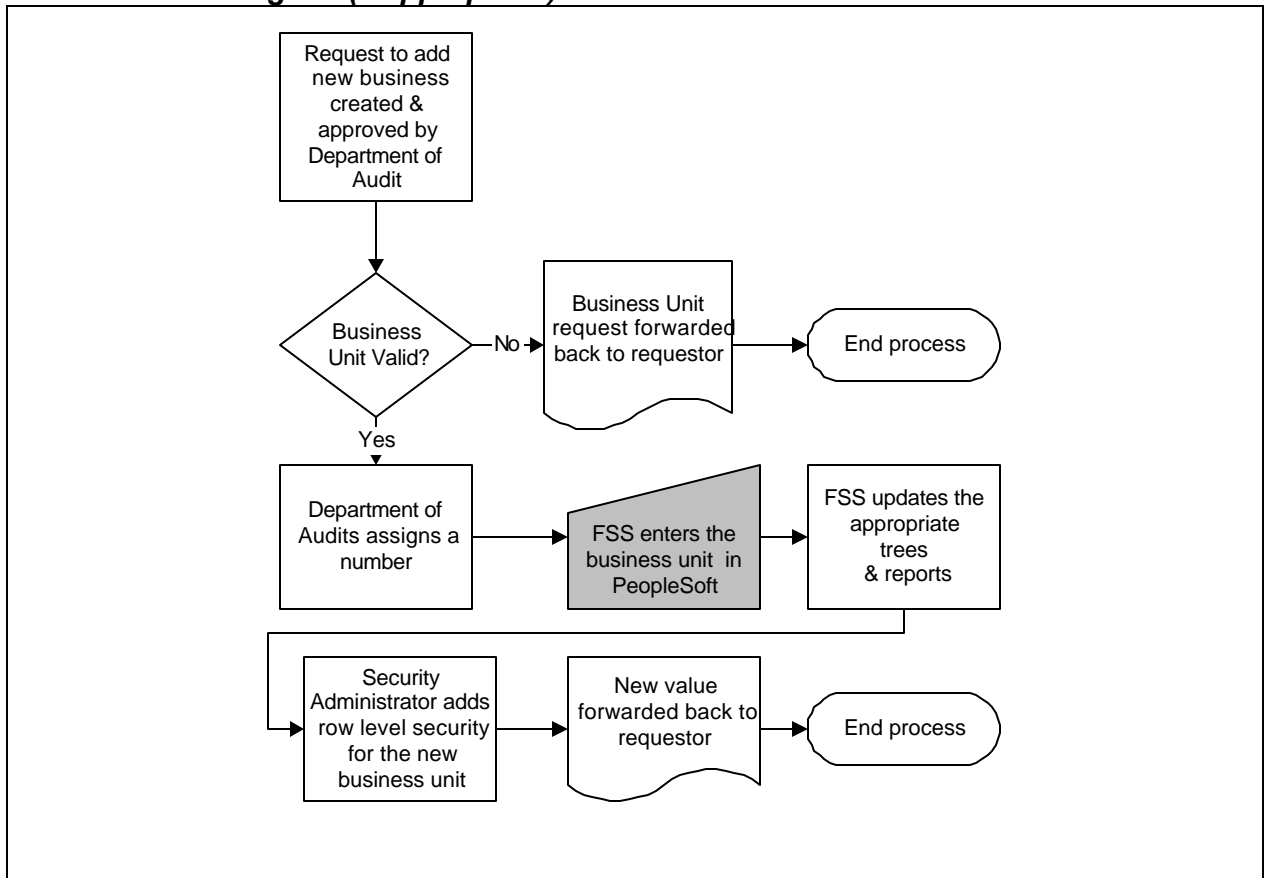
<u>Step 8: Save the business unit</u> The business unit is now saved.	Centralized
<u>Step 9: Add business unit to the appropriate trees</u> Add the business unit to the designated tree structure.	Centralized
<u>Step 10: Notify the security administrator that a new business unit has been created.</u> Users creating business units must notify the security administrator so that row level security can be added for the business unit. Once this has been accomplished, users will be able to see the new business unit in the system.	Centralized
<u>Step 11: Notify the requestor that the business unit has been added</u> Send notification to the requestor that the business unit has been added and is available for use. The following are acceptable forms of notification: <ul style="list-style-type: none"> • E-mail • Facsimile • Interoffice Memorandum 	Centralized

Forms Used with Process (#)

**Attach sample form(s) [..\\Business Unit\\Business Unit Change Request.doc](#)

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Process Flow Diagram (if appropriate):



Process Signoff

Tested By
Date Tested